

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 94-686-C & 94-687-C - ORDER NO. 95-359 ✓

FEBRUARY 8, 1995

IN RE: Request of GTE South, Inc. and Contel of) ORDER
South Carolina for Approval of Revisions) RULING
to their General Customer Service Tariffs) ON
to Eliminate Remote Access Call Forwarding) WITHDRAWAL
Due to the Fraudulent Use of This Service.) OF TARIFFS

This matter comes before the Public Service Commission of South Carolina (the Commission) on the October 17, 1994 request of GTE South, Inc. (GTE) and Contel of South Carolina (Contel) (the Companies) for approval of revisions to their General Customer Services Tariffs. The purpose of the filings is to eliminate the remote access (to call forwarding) option.

This matter came before the Commission previously, at which time we issued our Order No. 94-1149. In that Order, we noted that GTE South had been notified by GTE Security Officials that this tariff offering invites the potential for enormous toll fraud. The Commission then examined the matter and, noting that GTE and Contel had no customers presently subscribing to the offering, ordered that the Companies be allowed to eliminate the option, subject to notice, and with the condition that no intervention was received. Subsequent to the notice, James M. Tennant intervened in the matter.

The Commission thereafter set the matter for hearing which was held on February 2, 1995 at 2:30 p.m. At that time, the Honorable

Rudolph Mitchell, Chairman, presided. GTE South, Inc. was represented by M. John Bowen, Jr., Esquire and Margaret Fox, Esquire. GTE presented the testimony of William L. Oswald as to the potential for toll fraud as a result of the offering of the service. The Intervenor, James M. Tennant appeared pro se and presented testimony. The Commission Staff was represented by F. David Butler, General Counsel. Staff presented no witnesses.

William L. Oswald testified in more detail as to the potential for abuse and fraud of the remote access to call forward option. Oswald estimated that some \$85 million a year in toll fraud resulted from the use of the system. According to Oswald, a person pretending to be a GTE customer can call a Customer Contact Center and order remote activation capability on a potential victim's line. The person practicing the toll fraud then activates the victim's call forwarding and forwards calls to a referred destination. All calls made by the toll fraud person are then billed to the victim.

James M. Tennant, the Intervenor, testified that he believed that the remote access to call forwarding was an excellent service and would be useful in his business. Tennant noted that the same service offering was offered by Southern Bell.

After due consideration, the Commission believes that GTE and Contel have shown persuasive evidence that the service is susceptible to perpetrators of toll fraud. The Commission believes that GTE South and Contel should be allowed to eliminate the option. However, we believe that James M. Tennant has shown that the service is useful to him as an individual and as a business-

man. Therefore, we believe that although the Companies should be allowed to withdraw the tariff, James M. Tennant should be allowed to retain the service as described. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)